

**TITLE:** Budget Reduction Plan Additional Details

**FROM:** Kyla Johnson Trammell, Superintendent<sup>1</sup>

**TO:** Board of Education

**DATE:** February 19, 2019

**PURPOSE:** To provide more information about the Budget Reduction Plan for 2019-20 in order for the Board to discuss potential trade offs and the proposed amendments to the Reduction Plan found in the updated resolution.

The Board of Education submitted several questions organized into the following sections: (1) Reduction Target; (2) Central Office Reorganization; (3) Reallocation of Supplemental Funds; (4) Reallocation of Restricted Funds; and (5) Additional Funding from the State to Support School Sites;

## ***1. Reduction Target***

### ***Why didn't staff produce a proposal for \$30 million in reductions?***

The resolution passed in November 2018 asked for a reduction of up to \$30 million in order to close the gap for our structural deficit, increase teacher compensation, and maintain a 3% reserve.

It is the opinion of the staff that the \$21.75 million proposed reduction (1) meets the goals of the Board resolution; (2) recognizes an improved financial projection for next year; and (3) mitigates the amount of reductions the system can survive in a single year.

## ***2. Central Office Reorganization***

### ***What work are we preserving and prioritizing? What are we letting go? What data is being used to support these decisions?***

The reorganization of central office and budget prioritization is grounded first in the vision, mission and priorities of the district.

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<sup>1</sup> This memo is composed of staff answers to Board questions and compiled by Jody Talkington, Director of Strategic Projects.

- The vision is to ensure all our students are prepared for college, career and community success.
- The mission is to have a full service community school district, where the needs of the whole child are met.
- The priorities are Quality Community Schools, Fiscal Vitality, and Organizational Resilience.

#### Part 1: Identify Areas of Central Office to Preserve and Prioritizing

This fall we started our work to redesign how the central office is organized by focusing on what we need to preserve and prioritize given the daunting task of reducing up to \$30 million to address our structural deficit, maintain a 3% reserve and invest in teacher compensation. Per the direction of the Board, staff focused on implementing **Board Policy 3150 and the feedback from stakeholders** for decision making on how to prioritize and preserve core functions for central office. The policy states that unrestricted funds must be maximized in the following way:

- First, paying all **legally required district-wide obligations** (e.g. State Emergency Loan, charter school pass-through payments, audit findings).
  - We made no reductions to our legal obligations.
- Second, allocating up to **12% of all Unrestricted General Fund revenue to support district-wide central administrative services** (e.g. finance, human resources, performance management, instructional services, legal services, district leadership).
  - Central Administration reductions were made by identifying core functions and [mandated services](#) for each department and then eliminating any vacancies and inefficiencies. Per Board directive, reductions were made to management positions whenever possible.
- Third, paying for the following **services to schools**:
  - Special Education  
[No reductions]
  - Custodial and Buildings & Grounds  
[No reductions]
  - School Police & School Security Officers  
[Reduced 1 Police Officer and a portion of School Site Security Officers based on need (see criteria below)]
  - School Nurses  
[No reductions]
  - School Counselors  
[Maintained required ratio of counselors to students; we reduced 2 vacancies.]

6. Specified Enrichment Resources (e.g. summer school, music, art)  
[No reductions]

**d. Allocate to schools all remaining Unrestricted General Fund** revenue based on the projected student enrollment of each school, including allocating a differential amount of revenue to schools based on the number of students enrolled at each school who: (1) Are in elementary schools, middle schools, and high schools; (2) Qualify for the Federal Free & Reduced Price Meals Program; (3) Are English Learners; (4) Are in Foster Care; (5) Reside in high-stress neighborhoods

[Reduced \$3 million from site discretionary funds]

## Part 2: Building a New Central Office Service Model to School Sites

The next phase of central office reorganization is to build a new central office service model to schools. This will occur in late February-June. This phase will start by defining a **theory of action for central office services to school sites**. The service model we design will take into account the reduced staffing identified in the 2019-20 Reduction Plan.

Staff will develop a plan for how the central office will provide services to school sites that will be **guided by the following board policies: Community of Schools Policy (6006), Quality Schools Development Policy (6005), and the School Governance Policy (3625); and the [LCAP Goals](#).**

The plan will include a proposed **Framework for Defined Autonomy** at the schools sites which will include identifying base levels of support for all school sites and additional differentiated supports for schools based on need. All base and differentiated supports and programs will be based on mandated core functions, our [LCAP Goals](#), and our [Citywide Plan](#). The prioritization of school supports and programs will be based on examining the effectiveness of each support and program on the academic success of our students as indicated in the LCAP annual report and other metrics to measure impact.

### ***What is the timeline for Central Office reorganization updates?***

The following link shows a draft plan for engagement with multiple stakeholders around the Central Office Reorganization planning for this spring: [DRAFT Engagement Plan for Central Office Reorganization](#)

### ***What percentage of the 2019-20 layoffs are classified managers?***

Of the total Full time Equivalent (“FTE”) reductions for 2019-20:

- 44% are central classified and certificated management. This is 15% of all central classified and certificated management that are funded centrally.
- 56% are non-management. This is 9% of the total non-management positions that are funded centrally.

***What is the impact of the \$21.75M in reductions on different classifications?***

Job Category Description	Total FTE	Total FTE Reduction	Percent of Reduction
Analytic	11.8	(1)	8%
Certificated Management	40.75	(3.75)	9%
Classified Management	191.22	(33.59)	18%
Classified Confidential Management	93.5	(12)	13%
Classified Confidential Support	4.5	(1.5)	33%
Clerical	176.49	(21.5)	12%
Counselor	42.5	(3)	7%
Classified Support	116.35	(32.4)	28%
K12 Teachers*	167.25	(2)	1%
Police Services	10	(1)	10%
TSA 1	61.15	(1)	2%

\*Includes 1 STIP Substitute vacancy position paid centrally and 1 Social worker fte

***Which functions that serve school sites are going away? How are schools going to be impacted by the proposed cuts?***

Central Services	Reduction	Maintained Services (our plan)	Impact to School Sites
<b>Restorative Justice</b>	8 FTE (½ of 16 site based positions)  1 FTE (1 central program)	1 Coordinator, 1 Program Manager will likely be maintained through grant funding in order to provide professional learning, training and supports to school sites. An implementation plan for training and school site support will be developed with key stakeholders in the	While schools will not receive a central allocation of RJ funding, sites will be able to budget for facilitators or other staff to provide some RJ services (e.g. Community School Manager) in their budgets.  Schools will be able to access

	manager)	spring.  Seeking additional grant funding to restore site based services and an additional program manager (e.g. support for site facilitators).	professional learning and supports from centrally provided training.
<b>Foster Youth Case Managers</b>	5 FTE	1 Program Manager will be maintained to coordinate services across the district and to work with school site case managers to provide the services. Seeking addition funding from the City of Oakland for attendance case managers who could prioritize working with Foster Youth.  Working with other community organizations to develop partnerships to provide more services to foster youth.	Foster Youth will still receive services from school site case managers who will receive training and resources from the central office program manager. The majority of foster youth are our attending middle and high schools.  The central program manager will focus on schools sites without a case manager.
<b>Asian Pacific Islander Student Achievement Services</b>	Reduction of 1 Program Manager	The services provided by the program manager to provide services to the Asian Pacific Islander student population will maintained by redistributing the work to other Office of Equity staff (i.e. Parent Engagement Coordinators, Director of Targeted Strategies and the APISA Advisory Team).  The strategy moving forward is to create an APISA Advisory Committee composed of OUSD and Community Org's that can calibrate around the present work and begin to scaffold the work for next year in collaboration with our Director of Targeted Strategies, Jerome Gourdine.	The majority of the work was focused on central office coordination, which will remain with other staff in the office taking up that work. There will be minimal impact to sites since the services to students will remain.
<b>School Site Security Officers</b>	A reduction in 24 of the 82 SSOs at school sites	We will use suspension for violence data, California Healthy Kids Survey Data, Universal Referral Forms, Parent Complaints, and Disciplinary Hearing Panel Data to redistribute SSOs. We will concentrate on the allocation in secondary, where most of our incidents occur.	We currently fund 82 SSOs in Supplemental. There would be 58 SSOs to allocate to our school sites.
<b>Tech Services to School Sites</b>	There are no computer	Technology services positions that provide direct technical support at schools have not been reduced.	The Computer Technician positions that had been identified as the position providing direct services to

	technician reductions		school sites has not been reduced
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***How are we protecting schools sites--particularly flatland schools and those with declining enrollment--from the impact of multiple reductions?***

We are tracking all school site budgets and one pagers to see how school sites have invested their funds (which include the reductions). Network Superintendents are working with school sites during the budget development process. Full information on how sites invested their funds and the impacts of central office reductions will be updated in May when schools sites complete their School Plan for Student Achievement (SPSAs).

In May, we will also be examining one-time funds from the state, and CSI funds and Low Income Block Grant Funds to support sites most impacted and most in need.

***3. Reallocation of Supplemental Funds***

**What data and rationale for justifying the use of Supplemental funds for compensation?**

67% of teacher respondents to OUSD's 2018 Staff Retention Survey cited that their salary makes them want to Leave or Strongly Leave the district. Other data analysis shows that teacher turnover is highest at schools that serve the greatest concentrations of low-income and English learner students, and at schools located in the most environmentally stressed communities of Oakland. Increasing teacher salaries using Supplemental dollars is one component of our strategy to increase teacher retention, and will have the most significant impact at hard-to-staff schools serving our highest needs students.

Right now, our salaries are not competitive with other districts. Even those teachers who apply for teaching positions in Oakland may also be applying for positions in other Bay Area districts with higher salaries at all levels of teaching experience. Having competitive compensation (salary plus benefits) can support recruitment and retention of teachers, including in hard-to-staff areas of Special Education, secondary Science and Math, and bilingual teachers.

When sorting schools from highest to lowest teacher turnover rates, we have many schools with high teacher turnover that also serve schools with very high concentrations of low income

students, and many schools with higher than district average concentrations of English language learners. Many of these schools are also located in communities with high environmental stress factors (used in the “z-score” analysis). In looking at the 25 schools with the highest average teacher turnover rates, we see that

- 22 of them also have a significantly higher percentage of low-income students than the district average of 76.4%.
- 13 of these 25 schools have a higher percentage of English language learners than the district average of 34.4%.
- 17 of the 25 schools that are located in the most environmentally stressed communities of Oakland. [Data table linked here.](#)

Students, including our All City Council, have gathered survey and focus group data to support their advocacy for teacher recruitment, retention, relationships, and training of teachers who look like them and understand them as being key to student development and success. In some cases, they have testified to the detrimental impact on students of teacher turnover and instability in teaching staff, or long-term vacancies for important but hard-to-staff classes such as secondary mathematics.

***Are we planning to use Supplemental funds for all employee compensation or just teachers?***

The reallocation of Supplement funds to support compensation will only be for teachers. Our interrelated areas of greatest need in our LCAP are Academics and Teacher Retention, particularly at schools serving our highest concentrations of low-income students, English language learners, and foster youth. That is where teacher retention also tends to be the lowest. However, the San Leandro model did show how investing in all employees can help teacher retention as well.

***How are we going to monitor and evaluate the use of Supplemental funds for teacher salaries? What metrics will be used?***

We will be monitoring and evaluating the use of Supplemental dollars for teacher salaries by looking at our multifaceted teacher recruitment and retention strategies.

- We will be monitoring the development and retention of teachers coming out of our teacher pipelines and Grow Our Own programs (classified-to-teacher, Maestr@s, after school-to-teacher, Newcomer residency), and also looking at the extent to which our teaching force begins to more closely reflect the makeup of our students, particularly in the area of Latinx teachers. We will be looking at whether we are able to broaden and

deepen our applicant pool and increase the unique applicant-to-vacancy ratio in recruitment and hiring.

- We will identify which programs and pipelines, including partner programs with local colleges and universities, to see which programs produce teachers who are more likely to stay in OUSD.
- We will be monitoring the participation and effectiveness of professional development, with a special focus on new teachers.
- We will administer the Staff Retention survey every year to assess whether teacher responses related to salary and their desire to leave OUSD changes over time.
- We will be looking at data related not only to compensation, but to an umbrella of teacher retention programs and strategies, and will continue to look at one-year and three-year retention rates by school. We will pay particular attention to hard-to-staff schools and teaching positions (Special Education, secondary Math and Science, bilingual, and middle schools).

***What is the timeline and plan for community engagement for the proposed changes to Supplemental dollars for next year?***

The timeline for community engagement for the use of supplemental dollars will follow the already [scheduled PSAC meetings](#).

***Who is going to lead the LCAP work next year when we start a new three year cycle? What level of engagement will continue with the LCAP and how can we ensure we will have sufficient capacity?***

The LCAP work will be led by the LCAP Office. The Coordinator and Program Manager will continue to convene a cross-departmental team (i.e. including ELLMA, SPED, Academic Innovation, RAD, Family Engagement, the Network Team and the LCAP Program Manager) to implement the planning, writing and engagement for the new LCAP three year plan. The team will ensure that adequate engagement will be provided and that the same or similar bodies will exist to ensure engagement for all student groups.

#### ***4. Reallocation of Restricted Funds***

***What is the plan to ensure that the positions moved to Restricted funds will be eliminated once funding runs out? Does this run counter to our Structurally Balanced budget policy?***



**Structurally Balanced Budget Policy:** The structurally balanced budget policy states that “The District shall endeavor to adopt a structurally balanced budget.” It also recognizes that there are circumstances under which the district might deviate from this goal. For example, it states that “Except in extreme circumstances, one-time revenues and especially reserves should not be used to fund employee ongoing compensation (i.e., compensation based on salary schedule v. extended contracts). **One such exception might be a severe economic downturn where one-time revenues are temporarily used to ease the transition to an expenditure structure that is in line with new economic realities.** Even this should only be done in the context of plan to return to structure balance and replenish any reserves that had been used consistent with Board Policy.” It is OUSD’s assessment that making reductions at this scale and targeting central office supports calls for a deviation from the policy to help ease the transition and facilitate a transition to our central office redesign. Additionally, as noted above, the positions will be treated as year-to-year positions and re-evaluated in light of the district’s priorities and financial position.

Categorical funds have enabled districts to employ additional staff. The Education Code requires districts to notify employees funded by these dollars of the elimination of their position by March 15th for certificated staff and within 60 days notice for classified staff.

***Which positions are being moved to Restricted and how was this work prioritized?***

Click [here](#) to view positions that have been moved to restricted dollars and the justification.

## ***5. Potential Additional Funding from the State to Support School Sites***

***What are the plans for the One-time Low Income Youth Block Grant?***

The Low-Performing Students Block Grant (LPSBG) provides one-time State funds to serve students identified as low-performing on state English Language Arts or Mathematics assessments who are not otherwise identified for supplemental funding under the Local Control Funding Formula (LCFF) or eligible for special education services. The District proposes to award half of the two-year \$1,345,673 grant in SY 2019-20 and half in 2020-21, reserving five percent of funds each year for Central program support, monitoring, and reporting. Schools with more than five eligible students would receive a per-pupil award, while schools with five or fewer eligible students—and thus eligible for relatively small awards—would instead have expanded opportunities to access supports such as summer professional development for teachers, summer school for targeted students, instructional support services, early literacy support, or other interventions. This preliminary plan will be presented to the PSAC on February 20, 2019

and revised as needed. Planned activities funded through LPSBG funds will also be reflected in School Plans for Student Achievement (SPSAs) and in the LCAP.

***What are the plans for the additional Comprehensive Support and Improvement (CSI) funds?***

The District has 21 schools that have been identified by the CDE for Comprehensive Support and Improvement (CSI) and anticipates receiving \$3,490,431 for expenditure between March 18, 2019 and June 30, 2020. The initial application, due February 22, 2019, outlines the District's approach to planning for the grant, with more extensive community engagement and planning for specific uses of the funds occurring after the grant period begins in March. However, the draft plan, which will be shared with the PSAC on February 20, 2019, proposes reserving approximately \$240,000 Centrally to fund a one-year .5 Program Manager and a one-year 1.0 Coordinator to manage the CSI work, support CSI school leaders, and complete required monitoring and reporting of implementation and impact. The Central funding would also include funds specifically for community engagement, including support of school CSI plan development in Spring 2019.

The remaining \$3.25M in funding will be allocated among 20 CSI schools based on 18-19 enrollment for expenditure in the 2019-20 school year. Schools will be provided with guidance and a menu of options for strategic, evidence-based uses of the funds, but will also need to engage their communities in Spring 2019 to develop school-specific plans based on their student data. The Coordinator and Program Manager roles will support the planning, implementation, and progress monitoring of CSI work at school sites.

**ATTACHMENTS:**

[Board Policy 3150](#)

[Summary of Restricted Fund Detail](#)

[Explanation of Change to Restricted Funds](#)